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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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DEEP WOODS HOLDINGS LLC,

Plaintiff,

-against-

SAVINGS DEPOSIT INSURANCE FUND
OF THE REPUBLIC OF TURKEY
(TASARRUF MEVDUATI SIGORTA
FONU),

Defendant.
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07-CV-934 (AKH)

**DECLARATION
OF PROFESSOR
DR. ENDER ETHEM AT AY**

I, PROF. DR. ENDER ETHEM AT AY, hereby declare as follows:

Summary

1. I have been asked by Sullivan & Worcester LLP to provide evidence concerning the legal status and ownership of Turkish Republic Ziraat Bank Inc., known in Turkish as "Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi" (hereinafter referred to as "Ziraat Bank").

2. In brief, Ziraat Bank is wholly owned by, managed by, and deemed a part of the Republic of Turkey, in particular the Undersecretariat of the Treasury.

My Credentials

3. I am a Professor of Administrative Law at the Gazi University Faculty of Law, Ankara. I graduated from the Ankara University Law Faculty in 1986. I underwent the lawyer



internship at Ankara Bar and obtained the title of lawyer. Between 1986 and 1990 I was employed as a research associate in Constitutional Law by the Gazi University Public Administration Department. I completed my graduate studies at the Gazi University Social Sciences Institute in the Public Law Department. On October 5, 1996,¹ I obtained the doctoral title from the Faculty of Law at the University of Aix-Marseille III. I became an associate professor in 2002 and a professor in 2008. From 1998 to 2002 I performed the duty of Vice Dean of the Law Faculty at Gazi University. Since 2003 I have been a member of the Board of The General Directorate of the Post and Telegraph Organization (PTT). I also served as Legal Counsel of the Telecommunication Institution. I am a Member of the Information Acquisition and Evaluation Board of the Prime Ministry. I am the author of four books, more than thirty articles published in the field of law, and have also ten translations. Currently I teach administrative law and lecture in other fields of law in undergraduate, graduate and doctorate programs at Gazi University, Kocaeli University, and Turkey and Middle East Public Administrative Institute. Also, I serve as legal expert in domestic and international arbitration cases. I have a very good command of French and an intermediate level of English. This affidavit is executed in Turkish and the translation thereof is checked by me.

Legal Status Of Ziraat Bank

Brief History¹

4. Ziraat Bank was established in 1888 by the government of Turkey, then the Ottoman Empire. It was established as a direct successor to two other financial organizations - "Motherland Funds," established in 1863, and "Benefit Funds," established in 1883 - each of which had also been established and supported by the then Turkish government. In each instance

¹ See generally <http://www.ziraatbank.com.tr/en/p/n/ContentMay.aspx?id=586>

the government established the organizations to provide banking services to the empire's populace.

5. Ziraat Bank was established in particular to provide banking services to Turkey's agricultural sector. In fact, translated to English, Ziraat Bank's full name is the "Agriculture Bank of the Republic of Turkey." Ziraat Bank was the first agricultural financial institution founded and guaranteed by the State.

6. Ziraat Bank's headquarters were and remain in Ankara, Turkey's capital city, but it currently maintains over 1,300 branches and over 20,000 employees servicing more than 20 million customers. All but a tiny few of its branches are in Turkey: Ziraat Bank's extensive branch system insures that the Republic's all citizens, including those living in remote, rural areas, have access to banking.

7. The following statements are based on both the incorporation documents of Ziraat Bank and my experience and knowledge of applicable provisions of Turkish Law. In making the declarations set forth below, I have reviewed the following documents:

- Articles of Association of Ziraat Bank (hereinafter "AoA") as amended and announced from time to time in the Trade Register Gazette.
- Relevant legislation applicable to Ziraat Bank.

Ziraat Bank is wholly owned by the Treasury of the Republic of Turkey

8. According to Article 6 of the AoA, as amended and announced in the Trade Registry Gazette of Turkey dated April 27, 2007, the capital of the Bank is 2.500.000.000.- New Turkish Lira². This capital has been divided into 2.500.000.000 pieces of registered shares (issued to the name of bearer), each with a nominal value of 1 New Turkish Lira. All of the

² Effective from January 1, 2009, the name of the currency "New Turkish Lira" was converted to Turkish Lira.

capital has been paid up, and is owned and undertaken as a whole by the Treasury of the Republic of Turkey.

Management of the Bank

9. Authorized Bodies of the Bank include the General Assembly, the Board of Directors, the Committee of Loan, General Manager (CEO) and Auditors. (Article 7 of the AoA)

10. The General Assembly of the Bank is convened by the participation of the representative of the Treasury and the decisions are taken by the vote of the representative of the sole shareholder, the Turkish Treasury. According to the Trade Registry Gazette of Turkey, dated March 4, 2011,¹ I understand that the most recent Ordinary General Assembly Meeting was held on March 1, 2011, by the attendance of the representative representing all shares of the sole shareholder.

11. According to Article 17 of the AoA, Members of the Board of Directors are elected by the General Assembly.

12. The Board of Directors shall appoint one member as the General Manager (CEO) who has been provided with qualifications of the General Manager (CEO) pursuant to the Banking Law.

13. The Law on the Structures and Duties of the Treasury Undersecretariat, No. 4059, lays out the principles regarding the establishment, structure, duties and powers of the Treasury Undersecretariats to assist in the determination of economic policies. To regulate, implement, and determine principles for the monitoring and better implementation of state economic enterprises and state shareholdings are also enumerated within the framework of these policies.

The Under secretariats are attached to the Prime Minister, who may exercise his/her powers related to the management of the Undersecretariats through a Minister of State. (Article 1).

14. In the Official Gazette dated May 8, 2011, numbered 27988, the Circular of the Prime Ministry No. 2011/7 was published, by which the distribution of the agencies and institutes, which are affiliated and relevant to the Prime Ministry, among the Deputy Prime Ministers and delegated duties are regulated. In the attached list to this Circular, T.C. Ziraat Bankasi General Directorate ranks number three agency and institution, under the duties of Mr. Ali Babacan, Deputy Prime Minister. Also, The Undersecretariat of Treasury, which is the sole owner of Ziraat Bankasi, is also counted as first rank within the duties of Mr. Babacan.

15. In light of the above provisions, it is clearly understood that Ziraat Bank is a state-owned and managed bank.

Duties In Support of Agriculture

16. Of interest is the fact that Ziraat Bank, among its other banking activities, is still charged by the government with pursuing its original purpose, supporting Turkey's agricultural sector. Agriculture Law No. 5488, in force since April 25, 2006, and communiqués and decrees of Council of Ministers issued diereunder, require that Turkey's payments for agricultural support shall be made through Ziraat Bank.

17. Further, along with the support means mentioned in the law, under the Decree of Council of Ministers No. 2011/1240, Ziraat Bank and certain Agricultural Credit Cooperatives are directed to offer reduced credit interest rates to support certain agricultural purposes.

Conclusion

18. In light of the above, Ziraat Bank is owned by the Treasury of the Republic of Turkey and is an agency or instrumentality of the State.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 14, 2012

Ankara, Turkey



PROF. DR. EWDER ETHEM AT AY